



Office of Inspector General
U.S. General Services Administration

Public Meeting Presentation

Transactional Data Reporting: GSAR Case 2013-G504

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The GSA Office of Inspector General supports the collection and use of transactional data as an additional tool for contracting officers. However, it will not provide the government with the price protections currently afforded under the Price Reductions clause.

We have four main areas of concern.

CONCERN ONE

The proposed rule does not justify the elimination of the government's price protections under the Price Reductions clause.

CONCERN ONE – DETAILS

The proposed alternate Price Reductions clause removes all significant price protections – not just the basis of award tracking requirement.

CONCERN ONE – DETAILS

As currently proposed, there is no contractual requirement for contractors to lower their prices offered to the government based upon the transactional data reported.

CONCERN ONE – DETAILS

The Price Reductions clause results in real savings for the taxpayer that transactional data alone will not guarantee.

CONCERN TWO

The proposed rule risks overreliance on reported transactional data at the expense of commercial price analysis; as a result, the government may pay more than the commercial market.

CONCERN TWO – DETAILS

The premise of the Schedules program is grounded in market-based pricing; however, prices derived from transactional data may not result in the best price for the government.

CONCERN TWO – DETAILS

The proposed rule is unclear as to how GSA will use Commercial Sales Practices disclosures and vertical price analysis.

CONCERN THREE

The proposed rule underestimates the burden and resources necessary for:

- **contractor data reporting;**
- **GSA's and ordering agencies' use of the data; and**
- **GSA's enforcement of transactional data reporting requirements.**

CONCERN THREE – DETAILS

The contractor burden estimates are understated. We defer to industry for a more accurate burden calculation.

CONCERN THREE – DETAILS

There is little information provided concerning the required systems architecture and costs associated with transactional data analyses.

CONCERN THREE – DETAILS

The proposed rule does not provide enforcement provisions necessary to ensure contractor compliance with transactional data reporting requirements.

CONCERN FOUR

The planned expansion of this initiative in the Schedules Program assumes services and solutions can be effectively standardized and relies on undefined criteria to evaluate whether the pilot is successful.

CONCERN FOUR – DETAILS

Expansion to services – which make up two-thirds of schedule sales – will be challenging due to the difficulty of standardizing labor categories. A pilot focusing on products won't be applicable to services.

CONCERN FOUR – DETAILS

The proposed rule lacks specifics regarding the pilot’s evaluation criteria, such as “commercial benchmarks” and “other available data.”

SUMMARY

Outside of the Price Reductions clause, there is no requirement for contractors to lower their prices offered to the government.

SUMMARY

Prices Paid within the Government

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Best Price

This presentation represents a summary of our position related to GSAR Case 2013-G504. Upon formal submission, this presentation and our written response will be available at www.gsaig.gov.

If you have any questions, please contact:

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